




# State of Wisconsin


LEGISLATIVE REFERENCE BUREAU


## **RESEARCH APPENDIX -** **PLEASE DO NOT REMOVE FROM DRAFTING FILE**

Date Transfer Requested: 02/18/2013 (Per: CMH)

### Compile Draft – Appendix C ... Part I

Appendix A  The 2013 drafting file for LRB-0479

Appendix B  The 2013 drafting file for LRB-1243

Appendix C  The 2013 drafting file for LRB-1248

**2013 LRB-1248**

has been transferred to the drafting file for

**2013 LRB-1485**

*Part of the compile used to create 2013 AB 40.*

**2013 DRAFTING REQUEST**

**Bill**

Received: **1/18/2013** Received By: **tdodge**  
Wanted: **As time permits** Same as LRB:  
For: **Administration-Budget 267-7980** By/Representing: **Iwata**  
May Contact: Drafter: **tdodge**  
Subject: **Medical Assistance** Addl. Drafters:  
Extra Copies:

Submit via email: **YES**  
Requester's email:  
Carbon copy (CC) to: **pam.kahler@legis.wisconsin.gov**  
**tamara.dodge@legis.wisconsin.gov**

---

**Pre Topic:**

DOA:.....Iwata, BB0440 -

---

**Topic:**

Incorporate changes to the Medical Assistance program under the Patient Protection and Affordable Care Act; eliminate Badger Rx Gold and BadgerCare Basic and coverage for children above 300% FPL.

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**Instructions:**

See attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	tdodge 1/28/2013	scalvin 1/28/2013		_____			
/P1	tdodge 2/4/2013	scalvin 2/4/2013	jfrantze 2/4/2013	_____	mbarman 1/30/2013		State
/1				_____	mbarman		State

Vers. Drafted

Reviewed

Typed

Proofed

Submitted  
2/4/2013

Jacketed

Required

FE Sent For:

**<END>**

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tamara.dodge@legis.wisconsin.gov

---

### Pre Topic:

DOA:.....Iwata, BB0403C -

---

### Topic:

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### Instructions:

See attached

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/?	tdodge 1/28/2013	scalvin 1/28/2013		_____			
/P1		scalvin 1/30/2013	jfrantze 1/30/2013	_____	mbarman 1/30/2013		State

11 suc  
02/04/2013

JB 3/4  
RS 2/4

FE Sent For:

**<END>**

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DOA:.....Iwata, BB0403C -

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### Topic:

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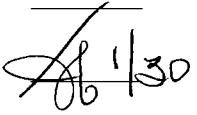
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### Instructions:

See attached

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### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	tdodge 1/28/2013	scalvin 1/28/2013					
/P1		scalvin 1/30/2013					State

FE Sent For:

**<END>**

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**Pre Topic:**

DOA:.....Iwata, BB0403C -

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**Topic:**

Incorporate changes to the Medical Assistance program under the Patient Protection and Affordable Care Act; eliminate family planning benefit and coverage for children above 300% FPL

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	tdodge	/p1 see 01/29/2013		_____ _____			

FE Sent For:

<END>



## Dodge, Tamara

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**From:** Hanaman, Cathlene  
**Sent:** Friday, January 18, 2013 9:09 AM  
**To:** Dodge, Tamara  
**Subject:** FW: Statutory Language Drafting Request - BB0403  
**Attachments:** PPACA Stat Language Instructions to DOA.docx

**From:** [Yuko.Iwata@wisconsin.gov](mailto:Yuko.Iwata@wisconsin.gov) [<mailto:Yuko.Iwata@wisconsin.gov>]  
**Sent:** Friday, January 18, 2013 9:01 AM  
**To:** Hanaman, Cathlene  
**Cc:** Thornton, Scott - DOA; Gauger, Michelle C - DOA; Iwata, Yuko - DOA  
**Subject:** Statutory Language Drafting Request - BB0403

**Biennial Budget:** 2013-15

**Topic:** Patient Protection and Affordable Care Act (PPACA)

**Tracking Code:** BB0403

**SBO Team:** HSI

**SBO Analyst:** Iwata, Yuko - DOA  
**Phone:** (608) 267-7980  
**E-mail:** [Yuko.Iwata@wisconsin.gov](mailto:Yuko.Iwata@wisconsin.gov)

**Agency Acronym:** DHS

**Agency Number:** 435

**Priority:** High

**Intent:**

To change statutes to reflect changes to the Medical Assistance program under the PPACA.

**Attachments:** True

*Please send completed drafts to [statlanguage@wisapps.wi.gov](mailto:statlanguage@wisapps.wi.gov)*



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**Department of Health Services**  
**2013-2015 Biennial Budget Statutory Language Request**  
January 18, 2013

**Statutory Changes to Implement PPACA**

**Background**

The Governor's Budget will need to make changes to Wisconsin statutes to reflect changes to the Medicaid program under the Patient Protection and Affordable Care Act (ACA).

**Current Language**

Changes need to be made primarily to the BadgerCare Plus statute under s. 49.471.

**Proposed Change**

Drafting instructions are attached. They are divided into multiple parts:

Part I includes mandatory changes that must be implemented

Part II and III represent two possible options for income eligibility changes that may be included in the Governor's Budget.

Part IV has additional changes that may be included in the budget.

**Desired Effective Date:** January 1, 2014, except where noted  
**Agency:** DHS  
**Agency Contact:** Andy Forsaith  
**Phone:** 266-7684

## Statutory Changes Related to PPACA Implementation

### *I. Changes Mandated by PPACA*

#### **Implementing MAGI Household Composition**

Under PPACA, income eligibility for adults and children (excluding elderly, blind, disabled individuals) will be tied to federal modified adjusted gross income rules.

As a result, the definition of family income under s. 49.471(1)(f) will need to be replaced. DHS recommends creating two new definitions:

- a) "Family Income" means the household income, as defined under 42 CFR 435.603(d)
- b) Household, as defined under 42 CFR 435.603(f) including mention that in determining family size for pregnant women, we count the pregnant woman plus the number of babies she is expecting.

In addition, DHS requests statutory authority to select the state options under 42 CFR 435.4 definition of dependent child under sub. (1), the option to consider a dependent child as one who is under age 18, or is age 18 and a full-time student in secondary school (or equivalent vocational or technical training), if before attaining age 19 the child may reasonably be expected to complete such school or training.

The definition of family under s. 49.471(1)(e) can be maintained because it is used for purposes other than income eligibility.

With implementation of MAGI rules, modify the special income provisions under s. 49.471(7).

- (a) self-employment income – *delete*
- (b).1. pregnant women spend down provisions – *delete and replace with a reference to 49.47(4)(c)*
- (c) child support disregard and other provisions - *delete*

#### **Populations Covered**

s. 49.471(4)(a)5. provides coverage until age 21 for children who are aging out of the foster care system. PPACA requires coverage for these children until age 26. The following changes are recommended:

- 5. An individual who, regardless of family income, was born on or after January 1, 1990, and who, on his or her 18th birthday, was in a foster care placement under the responsibility of a state or tribe, and enrolled in medical assistance under this subchapter, as determined by the department. The coverage for an individual under this subdivision ends on the last day of the month in which the individual becomes ~~21~~ 26 years of age, unless he or she otherwise loses eligibility sooner.

S. 49.45(23) is the statute for the existing BadgerCare Plus Core program. It is recommended that this paragraph be maintained to allow the state the option to continue to operate a waiver for childless adults if needed.

## Medically Needy Income Standard

S. 49.47(4)(c) establishes the income standard for the medically needy Medicaid eligibility category. Under the current (c)(1), the income standard is the higher of 133 and 1/3% of the AFDC cash assistance level or the SSI cash assistance level. However, (c)(3) caps the income level at the amount reimbursable under 42 USC 1396b (f). This has the effect of limiting the income level under (c)(1) to 133 and 1/3% of the AFDC limit. If the income level under Option A or B below is chosen for parents and caretakers, then the amount reimbursable under 42 USC 1396b (f) will increase which then would raise the cap amount that has been used to keep the medically needy income level at its current amount. The Department requests the following changes to maintain the medically needy income level at current levels.

### s. 49.47(4)(c)

1. Except as provided in par. (am) and as limited by subd. 3., eligibility exists if income does not exceed 133 1/3% of the maximum aid to families with dependent children payment under s. 49.19 (11) for the applicant's family size or the combined benefit amount available under supplemental security income under 42 USC 1381 to 1383c and state supplemental aid under s. 49.77 whichever is ~~higher~~ lower. In this subdivision "income" includes earned or unearned income that would be included in determining eligibility for the individual or family under s. 49.19 or 49.77, or for the aged, blind or disabled under 42 USC 1381 to 1385. "Income" does not include earned or unearned income which would be excluded in determining eligibility for the individual or family under s. 49.19 or 49.77, or for the aged, blind or disabled individual under 42 USC 1381 to 1385.

2. Whenever an applicant has excess income under subd. 1. or par. (am), no certification may be issued until the excess income above the applicable limits has been obligated or expended for medical care or for any other type of remedial care recognized under state law or for personal health insurance premiums or both.

~~49.47(4)(c)3. Except as provided in par. (am), no person is eligible for medical assistance under this section if the person's income exceeds the maximum income levels that the U.S. department of health and human services sets for federal financial participation under 42 USC 1396b (f).~~

## Other related statutory changes:

1. Young adults under age 21 eligible for IMD services under 49.47(4)(a)1. will have to have income eligibility determined under MAGI budgeting rules, not 49.47(4)(c), and their income limits would be adjusted by a MAGI conversion.
2. TB infected individuals eligible under 49.46(1)(a)15. will have to have income eligibility determined under MAGI budgeting rules and no longer have a resource test.

## Effective Dates/Initial Applicability

The changes would generally take effect on January 1, 2014. However, the new MAGI rules would not apply to existing Medicaid enrollees until March 31, 2014 or their next eligibility renewal date, whichever is later. It is assumed that the unborn child of a pregnant woman above 133% FPL would qualify for prenatal care if they meet standards under the federal Children's Health Insurance Program (CHIP)

## ***II. Option A – Childless Adults and Parents/Caretakers to 133% FPL***

Under this option, the state would cover parents/caretakers and childless adults up to 133% FPL,. Childless adults would qualify only for benchmark coverage.

Modify s. 49.471(4)(a) and (b) as follows:

Allow benchmark plan coverage under (b) for childless adults up to 133% FPL,  
Allow standard plan coverage for parents/caretakers and pregnant women under (a) to 133% FPL  
Maintain current language regarding children except for (b)2. See unborn children changes below.

Eliminate (b) 1., 1m., and 2. related to coverage for pregnant women above 200%.

Modify (b)2. to allow the unborn children of pregnant women above 133% FPL to qualify for prenatal coverage under CHIP. This will require modification of s. 49.471(1)(k) to include any unborn child that meet CHIP criteria.

Limit family planning waiver benefit to adults up to 133% FPL,

### ***Presumptive Eligibility***

Revise s. 49.471(5) to limit presumptive eligibility for pregnant women only to 133% FPL,.  
Maintain language in LRB-0749/P1 for children.

## ***III. Option B – Population and Income Limits***

Under this option, the state would cover parents/caretakers up to 100% FPL. Coverage for childless adults would end on December 31, 2013.

Modify s. 49.471(4)(a) and (b) as follows:

Allow standard plan coverage for parents/caretakers and for pregnant women under (a) to 133% FPL

Maintain current language regarding children.

Eliminate (b) 1., 1m., and 2. related to coverage for pregnant women above 200%.

Limit family planning waiver benefit to adults up to 100% FPL under s.49.45(24r)

Modify (b)2. to allow the unborn children of pregnant women above 133% FPL to qualify for prenatal coverage under CHIP. This will require modification of s. 49.471(1)(k) to include any unborn child that meet CHIP criteria.

### ***Presumptive Eligibility***

Revise s. 49.471(5) to limit presumptive eligibility for pregnant women only to 133% FPL.  
Maintain language in LRB-0749/P1 for children.

***IV. Option C – Other Possible Changes.***

The budget may also include the following changes:

- a) Elimination of the family planning benefit under s. 49.45(24r)
- b) Elimination of coverage for children above 300% under s.49.471(4)(c)

## **Dodge, Tamara**

---

**From:** Iwata, Yuko - DOA <Yuko.Iwata@wisconsin.gov>  
**Sent:** Monday, January 28, 2013 10:29 AM  
**To:** Dodge, Tamara; Kahler, Pam  
**Cc:** Gauger, Michelle C - DOA  
**Subject:** PPACA Drafting request

Tami and Pam,

I submitted a drafting request for Patient Protection and Affordable Care Act (PPACA) on January 18<sup>th</sup>. Since then, the Governor's final decisions on Medicaid eligibility have been made - here are some changes to the original drafting instructions that need to be incorporated:

**Part I** of the instructions remains unchanged.

**Part II** of the instructions should be amended:

- Instead of Option A as written, the eligibility levels for parents/caretakers and for childless adults should be changed to 100% FPL instead of 133% FPL. Coverage under the standard plan for pregnant women will remain at 133% FPL.
- There is no need to draft Option B.
- Option C, no change needs to be made to Family Planning benefit. Under Option C, eliminate coverage to children over 300% FPL, eliminate the BadgerRx Gold program and eliminate the BadgerCare Basic program.

These eligibility changes are effective 1/1/2014.

Please let me know if you have any questions. We have very little time to finalize all drafting, so it would be great if you could update me on where you are in the process for this particular item.

Thanks,

**Yuko Iwata**  
Executive Policy and Budget Analyst  
Division of Executive Budget and Finance  
Department of Administration  
(608) 267 - 7980

## Dodge, Tamara

---

**From:** Iwata, Yuko - DOA <Yuko.Iwata@wisconsin.gov>  
**Sent:** Monday, January 28, 2013 1:19 PM  
**To:** Dodge, Tamara  
**Cc:** Gauger, Michelle C - DOA  
**Subject:** RE: PPACA Drafting request

Hi Tami,

Yes, please go ahead and assume that's the case.

If you have any further questions, please let me know.

Thanks,

**Yuko Iwata**  
Executive Policy and Budget Analyst  
Division of Executive Budget and Finance  
Department of Administration  
(608) 267 - 7980

---

**From:** Dodge, Tamara [<mailto:Tamara.Dodge@legis.wisconsin.gov>]  
**Sent:** Monday, January 28, 2013 12:21 PM  
**To:** Iwata, Yuko - DOA  
**Subject:** RE: PPACA Drafting request

The only reference to something in the statutes that looks like it could be Badger Rx Gold is section 146.45. Is that the section I should repeal to eliminate Badger Rx Gold?

Tami

**Tamara J. Dodge**  
Attorney  
Wisconsin Legislative Reference Bureau  
P.O. Box 2037  
Madison, WI 53701-2037  
(608) 267 - 7380  
[tamara.dodge@legis.wisconsin.gov](mailto:tamara.dodge@legis.wisconsin.gov)

---

**From:** Iwata, Yuko - DOA [<mailto:Yuko.Iwata@wisconsin.gov>]  
**Sent:** Monday, January 28, 2013 11:50 AM  
**To:** Dodge, Tamara  
**Subject:** RE: PPACA Drafting request

Thank you!

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**From:** Dodge, Tamara [<mailto:Tamara.Dodge@legis.wisconsin.gov>]  
**Sent:** Monday, January 28, 2013 11:49 AM  
**To:** Iwata, Yuko - DOA  
**Cc:** Gauger, Michelle C - DOA  
**Subject:** RE: PPACA Drafting request



Yuko,

I was almost done with all three drafts but now it will take me a bit to make the changes that you've sent today. I hope to get the drafts into editing before I leave today, and it may take a day or so to get to you. These drafts are my top priority so I will try to get them done as soon as I can.

**Tamara J. Dodge**

Attorney

Wisconsin Legislative Reference Bureau

P.O. Box 2037

Madison, WI 53701-2037

(608) 267 - 7380

[tamara.dodge@legis.wisconsin.gov](mailto:tamara.dodge@legis.wisconsin.gov)

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Division of Executive Budget and Finance

Department of Administration

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State of Wisconsin  
2013 - 2014 LEGISLATURE



PF

LRB-12487

TJD:.....

RMR

Ln: 1/28/13

DOA:.....Iwata, BB0403C - Incorporate changes to the Medical Assistance program under the Patient Protection and Affordable Care Act; eliminate family planning benefit and coverage for children above 300% FPL & Badger Rx Gold and BadgerCare Basic

**FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION**

Please  
Fix  
request  
sheet  
TJD

1 AN ACT *do not gen*; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 **SECTION 1.** 20.435 (4) (a) of the statutes is amended to read:

3 20.435 (4) (a) *General program operations.* The amounts in the schedule for  
4 general program operations, including health care financing regulation,

1 administration, field services and medical assistance eligibility determinations  
 2 under s. 49.45 (2) (a) 3<sup>plain</sup> and administration of the pharmacy benefits purchasing pool  
 3 under s. 146.45.

**History:** 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186; 2001 a. 16, 69, 103, 105; 2003 a. 33, 139, 186, 318, 320, 326, 327; 2005 a. 15, 22; 2005 a. 25 ss. 299 to 331, 2498 to 2500, 2510; 2005 a. 74, 107, 199, 228, 264, 388, 406, 434; 2007 a. 20 ss. 331 to 422, 9121 (6) (a); 2007 a. 39, 88, 107, 111, 130; 2009 a. 2, 15; 2009 a. 28 ss. 325 to 470, 485, 488, 490; 2009 a. 76, 180, 190, 219, 274, 276, 279, 318, 334; 2011 a. 32, 70, 257; s. 35.17 correction in (4) (gr).

4 **SECTION 2.** 20.435 (4) (bm) of the statutes is amended to read:

5 20.435 (4) (bm) *Medical Assistance, food stamps, and Badger Care*  
 6 *administration; contract costs, insurer reports, and resource centers.* Biennially, the  
 7 amounts in the schedule to provide a portion of the state share of administrative  
 8 contract costs for the Medical Assistance program under subch. IV of ch. 49 and the  
 9 Badger Care health care program under s. 49.665 and to provide the state share of  
 10 administrative costs for the food stamp program under s. 49.79, other than payments  
 11 under s. 49.78 (8), to develop and implement a registry of recipient immunizations,  
 12 to reimburse 3rd parties for their costs under s. 49.475, for costs associated with  
 13 outreach activities, for state administration of state supplemental grants to  
 14 supplemental security income recipients under s. 49.77, ~~to administer the pharmacy~~  
 15 ~~benefits purchasing pool under s. 146.45,~~ and for services of resource centers under  
 16 s. 46.283. No state positions may be funded in the department of health services from  
 17 this appropriation, except positions for the performance of duties under a contract  
 18 in effect before January 1, 1987, related to the administration of the Medical  
 19 Assistance program between the subunit of the department primarily responsible for  
 20 administering the Medical Assistance program and another subunit of the

- 1 department. Total administrative funding authorized for the program under s.  
 2 49.665 may not exceed 10% of the amounts budgeted under pars. (p) and (x).

**History:** 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186; 2001 a. 16, 69, 103, 105; 2003 a. 33, 139, 186, 318, 320, 326, 327; 2005 a. 15, 22; 2005 a. 25 ss. 299 to 331, 2498 to 2500, 2510; 2005 a. 74, 107, 199, 228, 264, 388, 406, 434; 2007 a. 20 ss. 331 to 422, 9121 (6) (a); 2007 a. 39, 88, 107, 111, 130; 2009 a. 2, 15; 2009 a. 28 ss. 325 to 470, 485, 488, 490; 2009 a. 76, 180, 190, 219, 274, 276, 279, 318, 334; 2011 a. 32, 70, 257; s. 35.17 correction in (4) (gr).

- 3 **SECTION 3.** 20.435<sup>x</sup> (4) (hm) of the statutes is repealed.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

- 4 **SECTION 4.** 20.435<sup>x</sup> (4) (jw) of the statutes is amended to read:

- 5 20.435 (4) (jw) *BadgerCare Plus, and hospital assessment, and pharmacy*  
 6 *benefits purchasing pool administrative costs.* All moneys received from payment of  
 7 enrollment fees under the program under s. 49.45 (23), all moneys transferred under  
 8 s. 50.38 (9), all moneys transferred from the appropriation account under par. (jz),  
 9 and 10 percent of all moneys received from penalty assessments under s. 49.471 (9)  
 10 (c), for administration of the program under s. 49.45 (23), to provide a portion of the  
 11 state share of administrative costs for the BadgerCare Plus Medical Assistance  
 12 program under s. 49.471, and for administration of the hospital assessment under  
 13 s. 50.38, ~~and to administer a contract with an entity to operate the pharmacy benefits~~  
 14 ~~purchasing pool under s. 146.45.~~

**History:** 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186; 2001 a. 16, 69, 103, 105; 2003 a. 33, 139, 186, 318, 320, 326, 327; 2005 a. 15, 22; 2005 a. 25 ss. 299 to 331, 2498 to 2500, 2510; 2005 a. 74, 107, 199, 228, 264, 388, 406, 434; 2007 a. 20 ss. 331 to 422, 9121 (6) (a); 2007 a. 39, 88, 107, 111, 130; 2009 a. 2, 15; 2009 a. 28 ss. 325 to 470, 485, 488, 490; 2009 a. 76, 180, 190, 219, 274, 276, 279, 318, 334; 2011 a. 32, 70, 257; s. 35.17 correction in (4) (gr).

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

- 15 **SECTION 5.** 20.435<sup>x</sup> (4) (jz) of the statutes is amended to read:

20.435 (4) (jz) *Medical Assistance and Badger Care cost sharing, and employer penalty assessments, and pharmacy benefits purchasing pool operations.* All moneys received in cost sharing from medical assistance recipients, including payments under s. 49.665 (5), all moneys received from penalty assessments under s. 49.665 (7) (b) 2., and 90 percent of all moneys received from penalty assessments under s. 49.471 (9) (c), ~~all moneys received from persons who join the pharmacy benefits purchasing pool under s. 146.45, and all moneys received as rebates from drug manufacturers for prescription drugs purchased under the pharmacy benefits purchasing pool under s. 146.45, to be used for the Badger Care health care program under s. 49.665, for the Medical Assistance program under subch. IV of ch. 49, to pay an entity to operate the pharmacy benefits purchasing pool under s. 146.45, to transfer the amount determined under s. 146.45 (4) to the appropriation account under par. (jw), and to transfer any amount credited to this appropriation account in excess of \$27,785,500 in a fiscal year to the appropriation account under par. (jw).~~

**History:** 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186; 2001 a. 16, 69, 103, 105; 2003 a. 33, 139, 186, 318, 320, 326, 327; 2005 a. 15, 22; 2005 a. 25 ss. 299 to 331, 2498 to 2500, 2510; 2005 a. 74, 107, 199, 228, 264, 388, 406, 434; 2007 a. 20 ss. 331 to 422, 9121 (6) (a); 2007 a. 39, 88, 107, 111, 130; 2009 a. 2, 15; 2009 a. 28 ss. 325 to 470, 485, 488, 490; 2009 a. 76, 180, 190, 219, 274, 276, 279, 318, 334; 2011 a. 32, 70, 257; s. 35.17 correction in (4) (gr).

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

<sup>x</sup>  
SECTION 6. 49.471 (4) (c) of the statutes is repealed.

<sup>x</sup>  
SECTION 7. 49.471 (10) (b) 5. of the statutes is amended to read:

49.471 (10) (b) 5. If a recipient who is required to pay a premium under this paragraph or under sub. (2m) ~~or~~ (4) (e) either does not pay a premium when due or requests that his or her coverage under this section be terminated, the recipient's coverage terminates and the recipient is not eligible for BadgerCare Plus for 6

1 consecutive calendar months following the date on which the recipient's coverage  
2 terminated, except for any month during that 6-month period when the recipient's  
3 family income does not exceed 150 percent of the poverty line.

History: 2007 a. 20; 2009 a. 28, 180, 219; 2011 a. 10, 32. <sup>x</sup>

4 **SECTION 8.** 49.471 (11) (a) of the statutes is amended to read:

5 49.471 (11) (a) Subject to sub. (6) (k), prescription drugs bearing only a generic  
6 name, as defined in s. 450.12 (1) (b), with a copayment of no more than \$5 per  
7 prescription, ~~and subject to the Badger Rx Gold program discounts.~~

History: 2007 a. 20; 2009 a. 28, 180, 219; 2011 a. ~~10~~ 32. <sup>x</sup>

8 **SECTION 9.** 49.67 of the statutes is repealed.

9 **SECTION 10.** 146.45<sup>x</sup> of the statutes is repealed.

10 **SECTION 11.** 227.01<sup>x</sup> (13) (ur) of the statutes is repealed.

11 **SECTION 12.** 227.42<sup>x</sup> (7) of the statutes is repealed.

12 (END)

## Dodge, Tamara

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**From:** Hanaman, Cathlene  
**Sent:** Thursday, January 31, 2013 9:57 AM  
**To:** Dodge, Tamara  
**Subject:** FW: Statutory Language Drafting Request - BB0440

If you want me to change the BB numbers, let me know which one is B and which one is C.

**From:** [Yuko.Iwata@wisconsin.gov](mailto:Yuko.Iwata@wisconsin.gov) [<mailto:Yuko.Iwata@wisconsin.gov>]  
**Sent:** Thursday, January 31, 2013 9:55 AM  
**To:** Hanaman, Cathlene  
**Cc:** Gauger, Michelle C - DOA; Iwata, Yuko - DOA; Thornton, Scott - DOA  
**Subject:** Statutory Language Drafting Request - BB0440

-1248  
Done

**Biennial Budget:** 2013-15

**DOA Tracking Code:** BB0440

**Topic:** Patient Protection and Affordable Care Act (PPACA) - Children

**SBO Team:** HSI

**SBO Analyst:** Iwata, Yuko - DOA  
**Phone:** (608) 267-7980  
**E-mail:** [Yuko.Iwata@wisconsin.gov](mailto:Yuko.Iwata@wisconsin.gov)

**Agency Acronym:** DHS

**Agency Number:** 435

**Priority:** High

**Intent:**

Incorporate changes to the Medical Assistance program under the Patient Protection and Affordable Care Act; eliminate Badger Rx Gold and BadgerCare Basic and coverage for children above 300% FPL.

**Attachments:** False

Please send completed drafts to [statlanguage@wisapps.wi.gov](mailto:statlanguage@wisapps.wi.gov)



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1248/P1  
TJD:sac:jf

DOA:.....Iwata, BB0403C – Incorporate changes to the Medical Assistance program under the Patient Protection and Affordable Care Act; eliminate Badger Rx Gold and BadgerCare Basic and coverage for children above 300% FPL

**FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION**

1     **AN ACT ...; relating to:** the budget.

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*Analysis by the Legislative Reference Bureau*  
**HEALTH AND HUMAN SERVICES**  
**MEDICAL ASSISTANCE**

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

---

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2           **SECTION 1.** 20.435 (4) (a) of the statutes is amended to read:

3           20.435 (4) (a) *General program operations.* The amounts in the schedule for  
4     general program operations, including health care financing regulation,



1 administration, field services and medical assistance eligibility determinations  
2 under s. 49.45 (2) (a) 3, ~~and administration of the pharmacy benefits purchasing pool~~  
3 ~~under s. 146.45.~~

4 **SECTION 2.** 20.435 (4) (bm) of the statutes is amended to read:

5 20.435 (4) (bm) *Medical Assistance, food stamps, and Badger Care*  
6 *administration; contract costs, insurer reports, and resource centers.* Biennially, the  
7 amounts in the schedule to provide a portion of the state share of administrative  
8 contract costs for the Medical Assistance program under subch. IV of ch. 49 and the  
9 Badger Care health care program under s. 49.665 and to provide the state share of  
10 administrative costs for the food stamp program under s. 49.79, other than payments  
11 under s. 49.78 (8), to develop and implement a registry of recipient immunizations,  
12 to reimburse 3rd parties for their costs under s. 49.475, for costs associated with  
13 outreach activities, for state administration of state supplemental grants to  
14 supplemental security income recipients under s. 49.77, ~~to administer the pharmacy~~  
15 ~~benefits purchasing pool under s. 146.45,~~ and for services of resource centers under  
16 s. 46.283. No state positions may be funded in the department of health services from  
17 this appropriation, except positions for the performance of duties under a contract  
18 in effect before January 1, 1987, related to the administration of the Medical  
19 Assistance program between the subunit of the department primarily responsible for  
20 administering the Medical Assistance program and another subunit of the  
21 department. Total administrative funding authorized for the program under s.  
22 49.665 may not exceed 10% of the amounts budgeted under pars. (p) and (x).

23 **SECTION 3.** 20.435 (4) (hm) of the statutes is repealed.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

1           **SECTION 4.** 20.435 (4) (jw) of the statutes is amended to read:

2           20.435 (4) (jw) *BadgerCare Plus, and hospital assessment, ~~and pharmacy~~*  
3 *~~benefits purchasing pool administrative costs.~~* All moneys received from payment of  
4 enrollment fees under the program under s. 49.45 (23), all moneys transferred under  
5 s. 50.38 (9), all moneys transferred from the appropriation account under par. (jz),  
6 and 10 percent of all moneys received from penalty assessments under s. 49.471 (9)  
7 (c), for administration of the program under s. 49.45 (23), to provide a portion of the  
8 state share of administrative costs for the BadgerCare Plus Medical Assistance  
9 program under s. 49.471, and for administration of the hospital assessment under  
10 s. 50.38, ~~and to administer a contract with an entity to operate the pharmacy benefits~~  
11 ~~purchasing pool under s. 146.45.~~

      \*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be  
reflected in the revised schedule in s. 20.005, stats.

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16 under s. 49.665 (5), all moneys received from penalty assessments under s. 49.665  
17 (7) (b) 2., and 90 percent of all moneys received from penalty assessments under s.  
18 49.471 (9) (c), ~~all moneys received from persons who join the pharmacy benefits~~  
19 ~~purchasing pool under s. 146.45, and all moneys received as rebates from drug~~  
20 ~~manufacturers for prescription drugs purchased under the pharmacy benefits~~  
21 ~~purchasing pool under s. 146.45, to be used for the Badger Care health care program~~  
22 ~~under s. 49.665, for the Medical Assistance program under subch. IV of ch. 49, to pay~~  
23 ~~an entity to operate the pharmacy benefits purchasing pool under s. 146.45, to~~

1 ~~transfer the amount determined under s. 146.45 (4) to the appropriation account~~  
2 ~~under par. (jw), and to transfer any amount credited to this appropriation account~~  
3 in excess of \$27,785,500 in a fiscal year to the appropriation account under par. (jw).

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16 prescription, ~~and subject to the Badger Rx Gold program discounts.~~

17 **SECTION 9.** 49.67 of the statutes is repealed.

18 **SECTION 10.** 146.45 of the statutes is repealed.

19 **SECTION 11.** 227.01 (13) (ur) of the statutes is repealed.

20 **SECTION 12.** 227.42 (7) of the statutes is repealed.


21 (END)

# Summary of Comments on 13-1248\_P1 ACA Draft Part 2 comments 2 4 13.pdf

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Page: 4

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 Number: 1      Author: forsaac      Subject: Highlight      Date: 2/4/2013 11:49:05 AM  
The draft is fine except the changes should be made effective on January 1, 2014.

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State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1248/P1

TJD:sac:jf

RMNR

DOA:.....Iwata, BB0403C – Incorporate changes to the Medical Assistance program under the Patient Protection and Affordable Care Act; eliminate Badger Rx Gold and BadgerCare Basic and coverage for children above 300% FPL

**FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION**

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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1 administration, field services and medical assistance eligibility determinations  
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3 ~~under s. 146.45.~~

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5 20.435 (4) (bm) *Medical Assistance, food stamps, and Badger Care*  
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8 contract costs for the Medical Assistance program under subch. IV of ch. 49 and the  
9 Badger Care health care program under s. 49.665 and to provide the state share of  
10 administrative costs for the food stamp program under s. 49.79, other than payments  
11 under s. 49.78 (8), to develop and implement a registry of recipient immunizations,  
12 to reimburse 3rd parties for their costs under s. 49.475, for costs associated with  
13 outreach activities, for state administration of state supplemental grants to  
14 supplemental security income recipients under s. 49.77, ~~to administer the pharmacy~~  
15 ~~benefits purchasing pool under s. 146.45,~~ and for services of resource centers under  
16 s. 46.283. No state positions may be funded in the department of health services from  
17 this appropriation, except positions for the performance of duties under a contract  
18 in effect before January 1, 1987, related to the administration of the Medical  
19 Assistance program between the subunit of the department primarily responsible for  
20 administering the Medical Assistance program and another subunit of the  
21 department. Total administrative funding authorized for the program under s.  
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5           s. 50.38 (9), all moneys transferred from the appropriation account under par. (jz),  
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17         (7) (b) 2., and 90 percent of all moneys received from penalty assessments under s.  
18         49.471 (9) (c), ~~all moneys received from persons who join the pharmacy benefits~~  
19         ~~*purchasing pool under s. 146.45, and all moneys received as rebates from drug*~~  
20         ~~*manufacturers for prescription drugs purchased under the pharmacy benefits*~~  
21         ~~*purchasing pool under s. 146.45,*~~ to be used for the Badger Care health care program  
22         under s. 49.665, for the Medical Assistance program under subch. IV of ch. 49, ~~to pay~~  
23         ~~*an entity to operate the pharmacy benefits purchasing pool under s. 146.45, to*~~

1 ~~transfer the amount determined under s. 146.45 (4) to the appropriation account~~  
2 ~~under par. (jw), and to transfer any amount credited to this appropriation account~~  
3 ~~in excess of \$27,785,500 in a fiscal year to the appropriation account under par. (jw).~~

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

4 SECTION 6. 49.471 (4) (c) of the statutes is repealed.

5 SECTION 7. 49.471 (10) (b) 5. of the statutes is amended to read:

6 49.471 (10) (b) 5. If a recipient who is required to pay a premium under this  
7 paragraph or under sub. (2m) or (4) (c) either does not pay a premium when due or  
8 requests that his or her coverage under this section be terminated, the recipient's  
9 coverage terminates and the recipient is not eligible for BadgerCare Plus for 6  
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16 prescription, and subject to the Badger Rx Gold program discounts.

17 SECTION 9. 49.67 of the statutes is repealed.

18 SECTION 10. 146.45 of the statutes is repealed.

19 SECTION 11. 227.01 (13) (ur) of the statutes is repealed.

20 SECTION 12. 227.42 (7) of the statutes is repealed.

21

(END)

Insert 4-21



1

INSERT ANALYSIS

Currently, the Department of Health Services (DHS) administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health services to individuals who have limited resources. Some services are provided through programs that operate under a waiver of federal Medicaid laws, including services provided through the BadgerCare Plus (BC+) and BadgerCare Plus Core (BC+ Core) programs. Under current law, BC+ provides health and medical services to eligible recipients and has a standard plan with a larger set of benefits and a Benchmark plan with fewer benefits.

Under current law, unless DHS has a policy that conflicts with current state law eligibility requirements, the following individuals, among others, are eligible for benefits under the BC+ Benchmark plan: a pregnant woman whose family income exceeds 200 percent, but does not exceed 300 percent, of the FPL; a pregnant woman and everyone in her family if her family income exceeds 300 percent of the FPL but the difference between her actual family income and 300 percent of the FPL is expended for any family member's or her medical or health care; a child whose family income exceeds 200 percent, but does not exceed 300 percent, of the FPL; and a parent or caretaker of a child whose income includes self-employment income but does not exceed 200 percent of the FPL after depreciation is deducted. Certain individuals, under current law, may pay the full member per month cost of coverage to receive benefits under the Benchmark plan including, among others, children whose family incomes exceed 300 percent of the FPL. The bill eliminates the ability for children whose family incomes exceed 300 percent of the FPL to receive Benchmark plan benefits.

Under current law, DHS also administers BC+ Core, which provides basic primary and preventive care to eligible individuals. Adults who are under age 65, who have family incomes that do not exceed 200 percent of the FPL, and who are not otherwise eligible for MA, including BC+, are eligible for benefits under BC+ Core, unless DHS has a policy that conflicts with current state law eligibility requirements. DHS also currently administers the BadgerCare Plus Basic (BC+ Basic) plan, which is not an MA program but is funded by premiums paid by plan participants. To be eligible for the BC+ Basic plan, an individual must be on the waiting list for BC+ Core. BC+ Basic provides health care benefits that do not exceed those benefits provided by BC+ Core. Under current law, BC+ Basic terminates on January 1, 2014. The bill eliminates the BC+ Basic plan.

Under current law, DHS is required to develop a purchasing pool, known as Badger Rx Gold, for pharmacy benefits and set eligibility requirements to obtain prescription drug coverage through the purchasing pool. Current law allows DHS to contract with an entity to operate the purchasing pool, which is not an MA program. The bill eliminates the purchasing pool, Badger Rx Gold.

(END INSERT ANALYSIS)

1           Insert 4-21

2           **SECTION 9418. Effective dates; Health Services.**

3           (1) BADGERCARE PLUS BENCHMARK ELIGIBILITY; BADGER RX GOLD; BADGERCARE  
4           BASIC. The treatment of sections 20.435 (4) (a), (bm), (hm), (jw), and (jz), 49.471 (4)  
5           (c), (10) (b) 5., and (11) (a), 49.67, 146.45, 227.01 (13) (ur), and 227.42 (7) of the  
6           statutes takes effect on January 1, 2014.

(END INSERT 4-21)



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1248/1  
TJD:sac:jf

DOA:.....Iwata, BB0440 – Incorporate changes to the Medical Assistance program under the Patient Protection and Affordable Care Act; eliminate Badger Rx Gold and BadgerCare Basic and coverage for children above 300% FPL

**FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION**

1 **AN ACT ...; relating to: the budget.**

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*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

Currently, DHS administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health services to individuals who have limited resources. Some services are provided through programs that operate under a waiver of federal Medicaid laws, including services provided through the BadgerCare Plus (BC+) and BadgerCare Plus Core (BC+ Core) programs. Under current law, BC+ provides health and medical services to eligible recipients and has a standard plan with a larger set of benefits and a Benchmark plan with fewer benefits.

Under current law, unless DHS has a policy that conflicts with current state law eligibility requirements, the following individuals, among others, are eligible for benefits under the BC+ Benchmark plan: a pregnant woman whose family income exceeds 200 percent, but does not exceed 300 percent, of the FPL; a pregnant woman and everyone in her family if her family income exceeds 300 percent of the FPL but the difference between her actual family income and 300 percent of the FPL is

expended for any family member's or her medical or health care; a child whose family income exceeds 200 percent, but does not exceed 300 percent, of the FPL; and a parent or caretaker of a child whose income includes self-employment income but does not exceed 200 percent of the FPL after depreciation is deducted. Certain individuals, under current law, may pay the full member per month cost of coverage to receive benefits under the Benchmark plan including, among others, children whose family incomes exceed 300 percent of the FPL. The bill eliminates the ability for children whose family incomes exceed 300 percent of the FPL to receive Benchmark plan benefits.

Under current law, DHS also administers BC+ Core, which provides basic primary and preventive care to eligible individuals. Adults who are under age 65, who have family incomes that do not exceed 200 percent of the FPL, and who are not otherwise eligible for MA, including BC+, are eligible for benefits under BC+ Core, unless DHS has a policy that conflicts with current state law eligibility requirements. DHS also currently administers the BadgerCare Plus Basic (BC+ Basic) plan, which is not an MA program but is funded by premiums paid by plan participants. To be eligible for the BC+ Basic plan, an individual must be on the waiting list for BC+ Core. BC+ Basic provides health care benefits that do not exceed those benefits provided by BC+ Core. Under current law, BC+ Basic terminates on January 1, 2014. The bill eliminates the BC+ Basic plan.

Under current law, DHS is required to develop a purchasing pool, known as Badger Rx Gold, for pharmacy benefits and set eligibility requirements to obtain prescription drug coverage through the purchasing pool. Current law allows DHS to contract with an entity to operate the purchasing pool, which is not an MA program. The bill eliminates the purchasing pool, Badger Rx Gold.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 20.435 (4) (a) of the statutes is amended to read:

2           20.435 (4) (a) *General program operations.* The amounts in the schedule for  
3           general program operations, including health care financing regulation,  
4           administration, field services and medical assistance eligibility determinations  
5           under s. 49.45 (2) (a) 3., and administration of the pharmacy benefits purchasing pool  
6           under s. 146.45.

7           **SECTION 2.** 20.435 (4) (bm) of the statutes is amended to read:

20.435 (4) (bm) *Medical Assistance, food stamps, and Badger Care administration; contract costs, insurer reports, and resource centers.* Biennially, the amounts in the schedule to provide a portion of the state share of administrative contract costs for the Medical Assistance program under subch. IV of ch. 49 and the Badger Care health care program under s. 49.665 and to provide the state share of administrative costs for the food stamp program under s. 49.79, other than payments under s. 49.78 (8), to develop and implement a registry of recipient immunizations, to reimburse 3rd parties for their costs under s. 49.475, for costs associated with outreach activities, for state administration of state supplemental grants to supplemental security income recipients under s. 49.77, ~~to administer the pharmacy benefits purchasing pool under s. 49.45, and for services of resource centers under s. 46.283.~~ No state positions may be funded in the department of health services from this appropriation, except positions for the performance of duties under a contract in effect before January 1, 1987, related to the administration of the Medical Assistance program between the subunit of the department primarily responsible for administering the Medical Assistance program and another subunit of the department. Total administrative funding authorized for the program under s. 49.665 may not exceed 10% of the amounts budgeted under pars. (p) and (x).

**SECTION 3.** 20.435 (4) (hm) of the statutes is repealed.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

**SECTION 4.** 20.435 (4) (jw) of the statutes is amended to read:

20.435 (4) (jw) *BadgerCare Plus, and hospital assessment, ~~and~~ pharmacy benefits purchasing pool administrative costs.* All moneys received from payment of enrollment fees under the program under s. 49.45 (23), all moneys transferred under

1 s. 50.38 (9), all moneys transferred from the appropriation account under par. (jz),  
2 and 10 percent of all moneys received from penalty assessments under s. 49.471 (9)  
3 (c), for administration of the program under s. 49.45 (23), to provide a portion of the  
4 state share of administrative costs for the BadgerCare Plus Medical Assistance  
5 program under s. 49.471, and for administration of the hospital assessment under  
6 s. 50.38, ~~and to administer a contract with an entity to operate the pharmacy benefits~~  
7 ~~purchasing pool under s. 146.45.~~

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

8 **SECTION 5.** 20.435 (4) (jz) of the statutes is amended to read:

9 20.435 (4) (jz) *Medical Assistance and Badger Care cost sharing, and employer*  
10 *penalty assessments, ~~and pharmacy benefits purchasing pool operations.~~* All moneys  
11 received in cost sharing from medical assistance recipients, including payments  
12 under s. 49.665 (5), all moneys received from penalty assessments under s. 49.665  
13 (7) (b) 2., and 90 percent of all moneys received from penalty assessments under s.  
14 49.471 (9) (c), ~~all moneys received from persons who join the pharmacy benefits~~  
15 ~~purchasing pool under s. 146.45, and all moneys received as rebates from drug~~  
16 ~~manufacturers for prescription drugs purchased under the pharmacy benefits~~  
17 ~~purchasing pool under s. 146.45, to be used for the Badger Care health care program~~  
18 ~~under s. 49.665, for the Medical Assistance program under subch. IV of ch. 49, to pay~~  
19 ~~an entity to operate the pharmacy benefits purchasing pool under s. 146.45, to~~  
20 ~~transfer the amount determined under s. 146.45 (4) to the appropriation account~~  
21 ~~under par. (jw), and to transfer any amount credited to this appropriation account~~  
22 in excess of \$27,785,500 in a fiscal year to the appropriation account under par. (jw).

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

**SECTION 6.** 49.471 (4) (c) of the statutes is repealed.

**SECTION 7.** 49.471 (10) (b) 5. of the statutes is amended to read:

49.471 (10) (b) 5. If a recipient who is required to pay a premium under this paragraph or under sub. (2m) ~~or (4)(e)~~ either does not pay a premium when due or requests that his or her coverage under this section be terminated, the recipient's coverage terminates and the recipient is not eligible for BadgerCare Plus for 6 consecutive calendar months following the date on which the recipient's coverage terminated, except for any month during that 6-month period when the recipient's family income does not exceed 150 percent of the poverty line.

**SECTION 8.** 49.471 (11) (a) of the statutes is amended to read:

49.471 (11) (a) Subject to sub. (6) (k), prescription drugs bearing only a generic name, as defined in s. 450.12 (1) (b), with a copayment of no more than \$5 per prescription, and subject to the Badger Rx Gold program discounts.

**SECTION 9.** 49.67 of the statutes is repealed.

**SECTION 10.** 146.45 of the statutes is repealed.

**SECTION 11.** 227.01 (13) (ur) of the statutes is repealed.

**SECTION 12.** 227.42 (7) of the statutes is repealed.

**SECTION 9418. Effective dates; Health Services.**

(1) BADGERCARE PLUS BENCHMARK ELIGIBILITY; BADGER RX GOLD; BADGERCARE BASIC. The treatment of sections 20.435 (4) (a), (bm), (hm), (jw), and (jz), 49.471 (4) (c), (10) (b) 5., and (11) (a), 49.67, 146.45, 227.01 (13) (ur), and 227.42 (7) of the statutes takes effect on January 1, 2014.

**(END)**